

In Re: **Koen Book Distributors, Inc.**
Case No.: 05-32376 (JHW)
Debtor(s) Chapter 11

NOTICE OF MEETING OF LARGEST UNSECURED CREDITORS

The above-referenced debtor(s) is the subject of a pending case under Chapter 11 of the Bankruptcy Code.

Pursuant to Bankruptcy Code Section 1102, the United States Trustee seeks to appoint a committee representative of the unsecured creditors listed in the case. According to information supplied to our Office, it appears that you may be one of the largest unsecured creditors.

An organizational meeting for the purpose of forming an Official Unsecured Creditors' Committee has been scheduled for:

Date: Thursday, July 21, 2005 at 1:00 p.m.
Location: United States Trustee's Hearing Room
Bridge View
800-840 Cooper Street, Suite 102
Camden, NJ 08102

The United States Trustee seeks to appoint a Committee in this case consisting of creditors who are willing to serve on such Committee. To be considered for appointment on this Committee, you must complete and submit the annexed Questionnaire to this office via facsimile at (973) 645-5993. It is important that you personally attend the formation meeting, as personal attendance will be considered in appointing members to the Committee, should one be formed.

If you wish to serve on the Committee, but due to extraordinary circumstances are unable to attend the meeting, you must provide a written explanation of the reason(s) for your inability to attend prior to the date set for the formation meeting along with the completed Questionnaire. If your attorney or someone else representing you will attend the meeting in your place, such person must submit your written proxy authorizing him or her to act on your behalf before the meeting, together with your completed Questionnaire and written statement explaining why you are unable to attend personally. In no event will anyone be selected to serve on the Committee who has not completed a Questionnaire prior to the conclusion of the scheduled formation meeting.

The Unsecured Creditors' Committee has a vital role in Chapter 11 proceedings and for that reason your interest and consideration is solicited.

Kelly Beaudin Stapleton
United States Trustee
Region 3

Dated: July 15, 2005

cc: Counsel for Debtor(s): Aris J. Karalis, Esq.
Case Attorney: Anthony Sodono, III, Esq.

CREDITORS' COMMITTEE INFORMATION SHEET

Chapter 11 Proceedings Generally — After the commencement of a Chapter 11 bankruptcy case, the debtor continues to operate its business as a "debtor in possession," unless it is subsequently shown that a trustee should be appointed. Most actions to recover or enforce pre-bankruptcy claims against the debtor are automatically stayed under Bankruptcy Code Section 362.

Bankruptcy Code Section 1121 states that the debtor has the exclusive right to file a plan of reorganization for 120 days after the entry of the order for relief, unless the bankruptcy court approves a longer or shorter exclusivity period. Following the expiration of this period, or if certain other conditions are met, any party in interest, including a creditors' committee, may file a plan of reorganization. Typically, debtors attempt to negotiate the terms of the plan of reorganization with their creditors.

A plan of reorganization can modify the rights of any class of creditors and can be confirmed by the bankruptcy court over the objections of one or more classes of creditors, provided that such creditors receive under the plan at least as much as they would receive in a Chapter 7 liquidation. If the bankruptcy court does not confirm a plan of reorganization, the Chapter 11 case may be converted to a Chapter 7 liquidation case or it may be dismissed.

Purpose of Unsecured Creditors' Committee — To increase creditor participation in the Chapter 11 case, Bankruptcy Code Section 1102 requires that the United States Trustee appoint a committee of unsecured creditors (the "Committee") as soon as practical after the order for relief has been entered. The Committee ordinarily consists of those creditors who are willing to serve and hold the seven largest claims against the debtor which are representative of the creditor body. According to a list filed by the debtor(s) your claim appears to be one of the twenty largest unsecured claims against the debtor. You may, therefore, be eligible to serve on the Committee. Note, however, that there must be at least three unsecured creditors willing to serve before a Committee can be formed.

Powers and Duties of Unsecured Creditors' Committee — Members of the Committee are fiduciaries who represent all unsecured creditors as a group without regard to the types of claims which individual unsecured creditors hold against the debtor. Bankruptcy Code Section 1103 provides that the Committee may consult with the debtor, investigate the debtor and its business operations, and participate in the formulation of a plan of reorganization. The Committee may also perform such other services in accordance with the interests of the unsecured creditors whom it represents.

Employment of Professionals — Bankruptcy Code Section 1103 provides that the Committee may, subject to the bankruptcy court's approval, employ one or more attorneys, accountants or other professionals to represent or perform services for the Committee. The employment of such professionals must occur at a scheduled meeting of the Committee at which a majority of the Committee members are present. Professionals retained by the Committee may be compensated from the assets of the bankruptcy estate pursuant to Bankruptcy Code Section 330. Applications for the payment of professional fees are monitored by the Office of the United States Trustee and are subject to court approval. In addition, the Committee should carefully review all fee applications and object to any excessive professional fees.

Other Matters — The Committee must select a chairperson and should adopt bylaws. As a party in interest, the Committee may be heard on most issues arising in the bankruptcy case. Federal Rule of Bankruptcy Procedure 2002() requires that the Committee (or its authorized agent) receive all notices concerning motions and hearings in the bankruptcy case.

Should you have any additional questions concerning the Committee or your potential membership on the Committee please contact **Anthony Sodono** at the Office of the United States Trustee.

OFFICIAL UNSECURED CREDITORS' COMMITTEE QUESTIONNAIRE

IN THE MATTER OF: **Koen Book Distributors, Inc.**
Case No: 05-32376 (JHW)

I OR MY COMPANY IS AN UNSECURED CREDITOR: (if more than one debtor; which debtor?)

YOUR FULL NAME: _____

***Note:** If you are an attorney for or representative of the creditor, your proxy must be attached to this form.*

COMPANY NAME: _____

ADDRESS: _____

(If individual — please give home address)

CITY/STATE: _____

ZIP CODE: _____

PHONE: () _____

FAX: () _____

AMOUNT OF UNSECURED CLAIM: \$ _____

Give a brief description of the nature of your claim(s). If any of the claim(s) were acquired after the bankruptcy filing, set forth when the claim(s) were acquired and the consideration paid in comparison to the face amount of each claim.

1. Are you, or the company you represent, in any way "affiliated" with debtor(s) within the meaning of Bankruptcy Code Section 101(2)? Yes () No ()
2. Do you, or the company you represent, engage in a business which directly or indirectly competes with any of the businesses of the debtor(s)? Yes () No ()
3. Have you ever been an officer, director, agent, representative or employee of the debtor(s)? Yes () No ()
4. As of the petition date, did you own any equity interests in the debtor(s)? Yes () No ()
5. Was any of the unsecured claim you are asserting acquired after the bankruptcy filing? Yes () No ()
6. Are you eligible and willing to serve on the unsecured creditor's committee? Yes () No ()

I hereby certify that, to the best of my knowledge and belief, the above answers to this questionnaire are true and correct.

Signature

Dated: _____

Title

Koen Book Distributors, Inc.
Case No. 05-32376 (JHW)
Creditors' List

Random House, Inc.
400 Hahn Road
Westminster, MD 21157
Attn: William C. Sinnott

Simon & Schuster, Inc.
100 Front Street
Riverside, NJ 08075
Attn: Paul Ruzga

Publishers Group West, Inc.
1700 Fourth Street
Berkeley, CA 94710
Attn: Accounting/Legal Dept.

W W Norton & Co., Inc.
500 Fifth Avenue
New York, NY 10110
Attn: Accounting/Legal Dept.

John Wiley & Sons
1 Wiley Drive
Somerset, NJ 08875
Attn: Accounting/Legal Dept.

MQ Publications, Ltd.
49 West 24th Street, 8th Floor
New York, NY 10010
Attn: Accounting/Legal Dept.

The Haworth Press, Inc.
10 Alice Street
Binghamton, NY 13904
Attn: Accounting/Legal Dept.

Harper Collins Publishers
1000 Keystone Industrial Park
Scranton, PA 18512
Attn: Accounting/Legal Dept.

Time Warner Book Group
3 Center Plaza, 3rd Floor
Boston, MA 02108
Attn: Accounting/Legal Dept.

Ryland Peters & Small
519 Broadway, 5th Floor
New York, NY 10012
Attn: Accounting/Legal Dept.

Houghton Mifflin Co.
181 Ballardvale Street
P.O. Box 7050
Wilmington, MA 01887
Attn: Accounting/Legal Dept.

Diamond Comic Distributors, Inc.
1966 Greenspring Drive, Suite 300
Timonium, MD 21093
Attn: Accounting/Legal Dept.

Workman Publishing Co.
708 Broadway
New York, NY 10003
Attn: Accounting/Legal Dept.

Oxford University Press
2001 Evans Road
Cary, NC 27513
Attn: Accounting/Legal Dept.

Penguin Group (USA), Inc.
200 Old Tappan Road
Old Tappan, NJ 07675
Attn: Accounting/Legal Dept.

Von Holtzbrinck Publishing Services
16365 James Madison Highway
Gordonsville, VA 22942
Attn: Accounting/Legal Dept.

Chronicle Books
85 Second Street, 6th Floor
San Francisco, CA 94105
Attn: Accounting/Legal Dept.

National Book Network
15200 NBN Way
Building B
Blue Ridge Summit, PA 17214
Attn: Accounting/Legal Dept.

Harcourt Education
6277 Sea Harbor Drive
Orlando, FL 32887
Attn: Accounting/Legal Dept.

Consortium Book Sales & Distribution
1045 Westgate Drive
St. Paul, MN 55114
Attn: Accounting/Legal Dept.